

ALASKA STATE LEGISLATURE



September 9, 2019

Mr. Randy Smallwood
President and CEO
Wheaton Precious Metals Corp.
1021 West Hastings, Suite 3500
Vancouver, BC Canada V6E 0C3

Dear Mr. Smallwood,

We read with disappointment Governor Dunleavy's July 30th letter to you, which we believe misrepresents the ease with which the state might permit the proposed Pebble Mine, and the reception it is likely to receive from those living in the region. We write to you today to rectify these errors by giving you a more complete understanding of Alaskans' attitude toward the mine.

Alaska is – and always has been – open for business. The Alaska Constitution is unique in that it confirms that the state's resources belong to the people, and mandates that these resources be developed for the maximum benefit of all residents. In the Bristol Bay region, fish are by far the single most important resource, and have been since long before Alaska statehood. Bristol Bay's commercial fishery has existed for over 135 years and provides over 4,200 jobs in the region and more than \$1.2 billion in annual economic output nationally. Fish are inextricably woven into the cultural and economic fabric of the Bristol Bay region. This resource has been developed in a sustainable, responsible manner, and could continue to provide economic benefit to the people of the region for centuries to come. We cannot say the same about the Pebble Mine.

In contrast to sustainable fisheries, the economic benefit of mineral extraction is relatively short-term. Alaska's economy has ridden the booms and busts of oil for over 40 years. Oil has poured billions of dollars into our state's economy, generally for its betterment but sometimes at considerable cost to our fisheries and environment. While the Pebble Mine may provide some economic benefit to Alaska, it sits near the headwaters of the largest salmon run in the world. De-watering and re-routing these headwaters could devastate our cherished resource, as would a single cataclysmic mistake.

If developed, Pebble Mine would sit in the heart of the Bristol Bay Native Corporation's boundaries. As you are undoubtedly aware, local opposition to this project is severe, with 75% of BBNC shareholders opposed. BBNC has passed numerous resolutions opposing the mine and will not allow their lands or resources to be used for the project's transportation corridor. Only 35% of Alaskans support development of this mine.

In addition to negative public attitudes in Alaska, Richard Borden (Rio Tinto's former permitting expert) estimated that the proposed mine has a net present value of *negative* \$3 billion. He concluded that the project is "almost certainly not economically feasible."

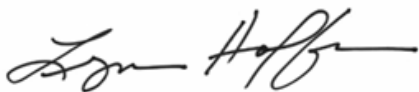
In his letter, Governor Dunleavy assures you that the State will actively defend your company's investment from "interference" and "frivolous and scurrilous attacks." Opposition to this project is both local and statewide, and is not frivolous, slanderous or interference. As individual Alaskans, our opposition to this project arises from the potentially severe social, economic, and cultural risks that the Pebble Mine represents. As elected officials, our opposition to this project aligns with the interests of our constituents.

While Alaska can and must develop its resources, the governor's suggestion that receipt of state permits is all but preordained is deeply flawed. Alaskans will vigorously defend their existing cultural and economic interests, and assuming that permitting will be pro forma carries substantial risk. As Alaskans, we refuse to jeopardize an existing, sustainable resource for the sake of an economically dubious project. As 40-year US Senator Ted Stevens once said, "I am not opposed to mining, but [Pebble] is the wrong mine for the wrong place."

Wheaton Precious Metals Corporation has the right to invest its money as it sees fit. Previous investors in this venture have fled the Pebble Project due to the difficulty of turning a profit and the unrelenting public opposition. Should Wheaton choose to invest in this project, we doubt that these underlying conditions will change.

Thank you for considering our perspective.

Sincerely,



Senator Lyman Hoffman
Senate Majority Leader



Senator Tom Begich
Senate Minority Leader



Senator Elvi Gray-Jackson



Senator Gary Stevens



Senator Bill Wielechowski



Representative Andy Josephson



Representative Bryce Edgmon
Speaker of the House



Representative Matt Claman



Representative Harriet Drummond



Representative Zack Fields



Representative Grier Hopkins



Representative Sara Hannan



Representative Jonathan Kreiss-Tomkins



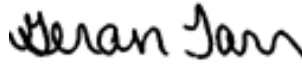
Representative Dan Ortiz



Representative Louise Stutes



Representative Ivy Spohnholz



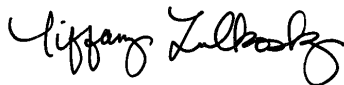
Representative Geran Tarr



Representative Chris Tuck



Representative Adam Wool



Representative Tiffany Zulkosky